



# Your Social Security Statement

Prepared especially for Wanda Worker

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See inside for your  
personal information ➔

SAMPLE

## What Social Security Means to You

We are pleased to send you this *Social Security Statement* to help you understand what Social Security means to you and your family. We encourage you to use it in planning your financial future. As the law requires, we will send you a new *Statement* showing your updated earnings record and your potential benefits each year. You should receive it about three months before your birthday.

Be sure to read this *Statement* carefully. If you think there might be a mistake, please let us know. That's important because your benefits will be based on our record of your lifetime earnings. Remember, the future's in your hands when you read your *Social Security Statement*.

### **Social Security is for people of all ages...**

Social Security is more than a retirement program. It can help you whether you're young or old, male or female, single or with a family. It can provide benefits if you become severely disabled and help support your family when you die. And it's there for you when you retire.

### **Work to build a secure future...**

Social Security is the largest source of income for most elderly Americans and plays a major role in keeping them out of poverty. But Social Security can't do it all. Social Security benefits were not intended to be the only source of income for you and your family when you retire. You'll need to supplement your benefits from a pension, savings or investments. Think of Social Security as a foundation on which to build your financial future.

### **About Social Security's future...**

Will Social Security be there when you retire? Of course it will. But changes will be needed to meet the demands of the times. We're living longer, healthier lives; 76 million "baby boomers" will start retiring in about 2010; and, in about 30 years, there will be nearly twice as many older Americans as there are today.

Social Security now takes in more in taxes than it pays out in benefits. The excess funds are credited to Social Security's trust funds, which are expected to grow to over \$4 trillion before we need to use them to pay benefits. In 2015, we will begin to pay out more in benefits than we collect in taxes. By 2037, the trust funds will be exhausted and the payroll taxes collected will be enough to pay only about 72 percent of benefits owed. We're working to resolve these issues. For more information about the present and what may lie ahead, call us to ask for a copy of the booklet, *The Future of Social Security*.

  
Kenneth S. Apfel

Commissioner of Social Security

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## Your Estimated Benefits

To qualify for benefits, you earn “credits” through your work—up to four each year. This year, for example, you earn one credit for each \$780 of wages or self-employment income. When you’ve earned \$3,120, you’ve earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven’t earned enough yet to qualify for any type of benefits, we can’t give you an estimate now. If you continue to work, we’ll give you an estimate when you do qualify.

**What we assumed** — If you already have enough work credits, we then estimated the amount of your benefits, using your average earnings over your working lifetime. For your credits through 2000 and your earnings up to retirement, we assumed you’ll continue to work and make about the same as the latest earnings shown on your record for 1998 or 1999.

We can’t provide your actual benefit amount until you apply for benefits. **And that amount may differ from the estimates stated below because —**

(1) Your earnings may increase or decrease over the years.

(2) Your benefit figures shown here are only estimates based on current law, and the laws governing benefit amounts may change because, by 2037, the payroll taxes collected will be enough to pay only about 72 percent of benefits owed.

(3) Other factors, such as receiving a pension for government work not covered by Social Security, may affect your benefit amount.

Generally, estimates for older workers are more accurate than those for younger workers because they’re based on a longer earnings history with fewer uncertainties, such as earnings fluctuations and future law changes.

These estimates are in current dollars. As you receive benefits, they will be adjusted for cost-of-living increases.

**▼ Retirement** You have earned enough credits to qualify for benefits. At your current earnings rate if you stop working...

At age 62, your payment would be about...	\$746 a month
At your full retirement age (67 years), your payment would be about...	\$1,096 a month
At age 70, your payment would be about...	\$1,365 a month

*Note:* When you continue working beyond your full retirement age, your benefit amount increases because of your additional earnings and the special credits you will receive for delaying your retirement. This increased benefit can be important to you later in your life. It also can increase the future benefit amounts your family and survivors could receive.

**▼ Disability** You have earned enough credits to qualify for benefits. If you became severely disabled right now, Your payment would be about... \$950 a month

**▼ Family** If you get retirement or disability benefits, your spouse and children also may qualify for benefits.

**▼ Survivors** You have earned enough credits for your family to receive the following benefits if you die this year.

Total family benefits cannot be more than...	\$1,835 a month
Your child...	\$750 a month
Your spouse who is caring for your child...	\$750 a month
Your spouse who reaches full retirement age...	\$1,000 a month

Your spouse or minor child may be eligible for a special one-time death benefit of \$255.

**▼ Medicare** You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.

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### We based your benefit estimates on these facts

Your name...	Wanda Worker
Your date of birth...	May 16, 1960
Your estimated taxable earnings per year after 1999...	\$30,364
Your Social Security number...	999-99-9999

## Help Us Keep Your Earnings Record Accurate

You, your employer and Social Security share responsibility for the accuracy of your earnings record. From the first year you began working, we recorded your reported earnings under your name and Social Security number. Since then, we have updated your record each time your employer (or you, if you're self-employed) reported your earnings.

Remember, it's your earnings — not the amount of taxes you paid or the number of credits you have — that determine your benefit amount. When we figure that amount, we base it on your average earnings over your lifetime. If our records are wrong, you may not receive all the benefits to which you are entitled.

- ▼ **Review this chart carefully** using your own documents (pay stubs, W-2 forms and tax returns) to make sure our information is correct.
- ▼ **Make sure we have recorded every year you worked.**

▼ **Check the earnings to see if they are correct.** You are the only person who can look at the earnings chart and know whether it is complete. If you worked for more than one employer during the year, or if you had both earnings and self-employment income, we combined your earnings for that year.

▼ Remember, **there is a limit on the amount of earnings on which you pay Social Security taxes each year.** This limit usually increases yearly. Only the maximum amount that was taxable will appear on the chart. (For Medicare taxes, the maximum earnings amount began rising in 1991. Since 1994, *all* of your earnings are taxed for Medicare.)

▼ **Act right away** if any of your earnings are shown incorrectly. **Call us at 1-800-772-1213.** If possible, have your W-2 or tax return for those years available. (If you live outside the U.S., follow the directions at the bottom of page 4.)

### Your Earnings Record at a Glance

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1976	742	742
1977	1,023	1,023
1978	3,896	3,896
1979	6,711	6,711
1980	8,951	8,951
1981	9,381	9,381
1982	9,146	9,146
1983	9,756	9,756
1984	10,097	10,097
1985	11,458	11,458
1986	12,531	12,531
1987	12,949	12,949
1988	11,568	11,568
1989	14,067	14,067
1990	15,738	15,738
1991	18,919	18,919
1992	21,308	21,308
1993	24,441	24,441
1994	26,069	26,069
1995	27,350	27,350
1996	28,302	28,302
1997	29,384	29,384
1998	30,364	30,364
1999	not yet recorded	

**Did you know... Social Security is more than just a retirement program? It's here to help you when you need it most.**

For instance, Social Security helps you if you become disabled — even at an early age. It is possible for a young person who has worked and paid Social Security taxes for as few as 18 months to become eligible for disability benefits. If you become disabled, you could receive valuable benefits to help you for as long as you're completely disabled.

Social Security has another important feature. It is portable and moves with you from job to job throughout your career.

### Totals over your working career:

Estimated taxes paid for Social Security:	Estimated taxes paid for Medicare:
You paid: \$20,563	You paid: \$4,831
Your employers paid: \$20,563	Your employers paid: \$4,831

**Note:** If you are self-employed, you pay the total tax on your net earnings.

## Some Facts About Social Security

### About Social Security and Medicare...

Social Security pays retirement, disability, family and survivors benefits. Medicare, a separate program run by the Health Care Financing Administration, helps pay for inpatient hospital care, nursing care, doctors' fees, and other medical services and supplies to people over 65 or to people who have received Social Security disability benefits for two years. Your Social Security covered earnings qualify you for both programs.

*Here are some facts about Social Security's benefits:*

- ▼ **Retirement** — If you were born before 1938, your full retirement age is 65. Because of a 1983 change in the law, the full retirement age will increase gradually to 67 for people born in 1960 and later.  
Some people retire before their full retirement age. They can retire as early as age 62 and take their benefits at a reduced rate. Others continue working after their full retirement age. They receive higher benefits because of additional earnings and special credits for delayed retirement.
- ▼ **Disability** — If you become severely disabled before full retirement age, you can receive disability benefits after six months if you have:
  - enough Social Security credits, and
  - a physical or mental impairment that's expected to prevent you from doing "substantial" work for a year or more, *or* a condition that's expected to result in death.
- ▼ **Family** — If you're eligible for disability or retirement benefits, your current or divorced spouse, minor children, or adult children disabled before age 22 also may receive benefits. Each may qualify for up to 50 percent of your benefit amount. The total amount depends on how many family members qualify.
- ▼ **Survivors** — When you die, certain members of your family may be eligible for benefits:
  - your spouse age 60 or older (50 or older if disabled, or any age if caring for your children under age 16); and
  - your children if unmarried and under age 18, still in school and under age 19, or adult children disabled before age 22.If you are divorced, your ex-spouse could be eligible for a widow's or widower's benefit on your record when you die.

### Receive retirement benefits and still work

You can continue to work and still get retirement benefits. If you're under your full retirement age, there are limits on how much you can earn without losing some or all of your retirement benefits. These limits change each year. When you apply for benefits, we'll tell you what the limits are at that time and whether work would affect your monthly benefits. When you reach your full retirement age, the earnings limits no longer apply.

**Before you decide to retire**, think about your benefits for the long term. Everyone's situation is different. For example, be sure to consider the advantages and disadvantages of early retirement. If you choose to receive benefits before you reach full retirement age, your benefits will be permanently reduced. However, you'll receive benefits for a longer period of time.

To help you decide when is the best time for you to retire, we offer a free booklet, *Social Security — Retirement Benefits* (Publication No. 05-10035), that provides specific information about retirement.

There are other free publications that you may find helpful, including:

- ▼ *The Future Of Social Security* (Publication No. 05-10055) — a discussion of the present and what may lie ahead;
- ▼ *Understanding The Benefits* (Publication No. 05-10024) — a general explanation of all Social Security benefits;
- ▼ *How Your Retirement Benefit Is Figured* (Publication No. 05-10070) — an explanation of how you can calculate your benefit;
- ▼ *A Pension From Work Not Covered By Social Security* (Publication No. 05-10045) — how it affects your Social Security retirement or disability benefits; and
- ▼ *Government Pension Offset* (Publication No. 05-10007) — a law that affects spouse's or widow(er)'s benefits.

We also have leaflets and factsheets with information about specific topics such as military service, self-employment or foreign employment. You can request Social Security publications by following the instructions in the **If you need more information...** section below.

### If you need more information...

If you have questions or want to request this Statement in Spanish (*Para solicitar Su Declaración en español*), call 1-800-772-1213, contact your local Social Security office or reach us at [www.ssa.gov/mystatement](http://www.ssa.gov/mystatement) on the Internet. If you're deaf or hard of hearing, call TTY 1-800-325-0778. If your address is incorrect on this *Statement*, ask the IRS to send you an IRS Form 8822. We don't keep addresses for persons not receiving Social Security benefits.